

EXHIBIT 2

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ADAM J. LEVITIN - 6/28/2012

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1 ADAM J. LEVITIN
2 UNITED STATES DISTRICT COURT
3 WESTERN DISTRICT OF WASHINGTON
4 AT SEATTLE
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6 IN RE: WASHINGTON MUTUAL MORTGAGE BACKED
7 SECURITIES LITIGATION

7 Master Case No. C09-0037
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10 June 28, 2012
11 9:35 a.m.

12 Videotaped deposition of ADAM J.
13 LEVITIN, at the offices of Scott + Scott, 500
14 Fifth Avenue, New York, New York, before Nancy
15 Mahoney, a Certified Court Reporter, Registered
16 Professional Reporter, Certified LiveNote
17 Reporter, and Notary Public within and for the
18 States of New York and New Jersey.

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1	ADAM J. LEVITIN APPEARANCES: SCOTT + SCOTT LLP Attorneys for Plaintiffs 500 Fifth Avenue New York, New York 10110	1 ADAM J. LEVITIN THE VIDEOGRAPHER: This is the video operator speaking, William Pace for Merrill Legal Solutions, 225 Varick Street, New York, New York.
2	BY: BETH KASWAN, ESQ. bkaswan@scott-scott.com CRAVATH SWAIN & MOORE LLP Attorneys for Defendants WaMu entities 825 Eighth Avenue Worldwide Plaza New York, New York 10019	2 Today is June 28th, 2012, and the time is 9:38 a.m. We're at the offices of 3 Scott + Scott, 500 Fifth Avenue, New York, New 4 York, to take the videotaped deposition of Adam 5 J. Levitin in the matter of In Re: Washington 6 Mutual Mortgage-Backed Securities Litigation in 7 the United States District Court, Western 8 District of Washington at Seattle, Master Case 9 No. C09-0037.
3	BY: EVAN R. CHESLER, ESQ. echesler@cravath.com BRENDON DEMAY, ESQ. bdemay@cravath.com	10 Will counsel please introduce 11 yourselves and state whom you represent. 12 MR. CHESLER: Evan Chesler for the 13 defendant. 14 MR. DE MAY: Brendan DeMay for the 15 defendant. 16 MS. KASWAN: Beth Kaswan with 17 Scott + Scott for the plaintiffs. 18 THE VIDEOGRAPHER: The court 19 reporter today is Nancy Mahoney for Merrill 20 Legal Solutions.
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1	ADAM J. LEVITIN And you may swear in the witness.	1 ADAM J. LEVITIN
2	THE WITNESS: I do so affirm.	2 Q. Mr. Levitin, can you identify 3 Exhibit 937 for us?
3	ADAM J. LEVITIN, having been first duly sworn by the Notary 4 Public (Nancy Mahoney), affirmed, was examined 5 and testified as follows:	4 A. It appears to be the report I 6 submitted in this case, including the various 7 appendices.
4	EXAMINATION BY MR. CHESLER:	8 Q. Is there anything in it you want to 9 change?
5	Q. Good morning.	9 A. No.
6	A. Good morning.	10 Q. You stand by everything in it?
7	Q. So I'm going to be asking you some 8 questions today. You understand you're here as 9 a retained expert for the plaintiffs in this 10 litigation?	11 A. I do.
8	A. I do.	12 Q. Who wrote it?
9	Q. Okay. You've submitted a report to 10 the court in connection with this case?	13 A. I did.
10	A. I have.	14 Q. Did you write it all yourself?
11	MR. CHESLER: I'm going to ask the 12 court reporter to mark that as the first 13 exhibit.	15 A. Of course.
12	(Deposition Exhibit 937 marked for 13 identification, Expert Report of Professor Adam 14 J. Levitin.)	16 Q. A yes or no would be sufficient.
13	BY MR. CHESLER:	17 Did you get any comments from 18 anybody?
14		19 A. No.
15		20 Q. Over what period of time did you 21 write the report?
16		22 A. I was -- I'm not sure I can give 23 you the precise dates, but this was done within 24 a fairly limited time window. The report was 25 submitted on March 12th, and I believe I was

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1. ADAM J. LEVITIN 2. engaged -- I'm sorry -- March 29th, it was 3. submitted. I believe I was engaged either at 4. the end of February, the beginning of March. So 5. somewhere roughly within the course of a month. 6. Q. For what purpose were you retained 7. by the plaintiffs in this case? 8. A. I was retained to provide expert 9. opinion on the sec -- on the role of private 10. label securitization and the 11. originate-to-distribute model in the financial 12. crisis. 13. Q. And it's your understanding that 14. that issue is relevant to the matters to be 15. decided in this case by the court? 16. A. It's my understanding that it -- 17. that it is relevant for two reasons: Originally 18. my -- my report was focused on the expert report 19. submitted by Mr. Eisenbeis which dealt with -- 20. where he addressed questions of what caused the 21. financial crisis and this, I think, all goes to 22. the question of loss causation. And as things 23. developed, it became clear that Mr. James' 24. report and also his deposition testimony on the 25. negative loss -- his negative loss causation	1. ADAM J. LEVITIN 2. opinion was also connected with what I was 3. test -- with what I opined about, specifically 4. two things. 5. Mr. James and his negative loss 6. causation opinion argues that Washington 7. Mutual -- that the credit performance in 8. Washington Mutual loans was substantially 9. similar to that of a control -- of an industry 10. control group, and from this he concludes -- 11. wrongly, I would say -- that Washington Mutual 12. -- that Washington Mutual's alleged deviation or 13. degradation of its underwriting guidelines did 14. not affect the -- did not cause the losses 15. suffered by the plaintiffs. 16. I think this is wrong for two 17. reasons -- well, they essentially are the same, 18. which is that he has an improper control group, 19. and his control group is wrong because there's 20. an endogeneity problem which he does not seem to 21. be aware of. And that -- and there is also -- 22. and I'll elaborate on that in a second. 23. And there is also a problem that 24. the -- that degradation of underwriting 25. guidelines was endemic throughout the industry.
1. ADAM J. LEVITIN 2. So it's not at all surprising that Washington 3. Mutual's loans performed similarly to the rest 4. of the industry. They're all poorly 5. underwritten essentially. And that -- that's in 6. no way exculpatory of Washington Mutual. 7. So to elaborate on the endogeneity 8. problem. Washington Mutual's underwriting 9. guidelines -- and you can see this specifically 10. in, I believe it's the minutes of Washington 11. Mutual credit committee meeting -- they 12. specifically reference Countrywide's 13. underwriting guidelines, and they say we will 14. match -- I'm paraphrasing here -- but we will 15. match or beat Countrywide's terms. 16. And Countrywide had the same -- 17. pretty much the same policy. You can see that 18. on Page 232 of the senate report. 19. THE WITNESS: Am I speaking too 20. fast? Slow down? Happy to slow down. 21. A. So there's an endogeneity 22. problem that he's compare -- he's comparing two 23. things that are linked, and that's an improper 24. control. That's issue one. 25. Issue two of how my report relates	1. ADAM J. LEVITIN 2. to the James report is that Mr. James is opining 3. that -- in his negative loss causation opinion 4. that plaintiffs' losses were caused by -- were 5. caused by the financial crisis, the housing 6. crisis, and not by Washington Mutual's deviation 7. from or disregard of its underwriting 8. guidelines. 9. And my opinions are relevant to 10. this in the following way -- and, actually, let 11. me start by making clear what I'm not opining, 12. because it would be -- it would be a shame if 13. my -- it would be a shame if -- if my former 14. colleagues at Cravath, Swaine & Moore in, you 15. know, advocational zeal were to misconstrue what 16. my testimony is. 17. What I'm not opining -- I want to 18. be very clear on this -- -- is that I'm not 19. opining that housing crisis caused losses, 20. Washington Mutual causes housing crisis -- I'm 21. not making a simple syllogism like that -- and, 22. therefore, Washington Mutual causes the losses. 23. Instead I'm -- I think I'm saying 24. something a little more complex, and that is 25. that to the extent the housing crisis affected

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